

SUMMARY ANALYSIS OF AMENDED BILL

Author: Chu Analyst: Gail Hall Bill Number: AB 441
 Related Bills: See Prior Analysis Telephone: 845-6111 Amended Date: May 26, 2005
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Water's-Edge Election/Inverted Corporations

- _____ DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.
- _____ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- _____ AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended _____.
- _____ FURTHER AMENDMENTS NECESSARY.
- _____ DEPARTMENT POSITION CHANGED TO _____.
- ☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED FEBRUARY 15, 2005, STILL APPLIES.
- _____ OTHER – See comments below.

SUMMARY

This bill would provide that certain foreign-based entities remain subject to California tax after a corporate restructure.

SUMMARY OF AMENDMENTS

The May 26, 2005, amendments revised the bill to reflect current law that water's-edge elections are made by statutory election rather than by contract. The language "expiration of the term of the water's-edge contract" referred to prior law; these amendments updated the bill's language to reflect the current rules for water's-edge elections.

The remainder of the department's analysis of the bill as introduced on February 15, 2005, still applies.

POSITION

Pending.

LEGISLATIVE STAFF CONTACT

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Board Position:

_____ S _____ NA _____ NP
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 _____ N _____ OUA ☒ PENDING

Legislative Director

Date

Brian Putler

6/23/2005